



May 2, 2013

## **Sempra Energy Reports First-Quarter 2013 Earnings**

- **Successful Initial Public Offering of Mexican Subsidiary IEnova Completed**
- **California Utilities' Rate Case Advances With Issuance of Proposed Decision**
- **Cameron LNG Becomes First Pending LNG Export Project to Attain FERC Environmental Review Schedule**

SAN DIEGO, May 2, 2013 - [Sempra Energy](#) (NYSE: SRE) today reported first-quarter 2013 earnings of \$178 million, or \$0.72 per diluted share, compared with \$236 million, or \$0.97 per diluted share, in the first quarter 2012. First-quarter 2013 earnings included a one-time charge for income tax expense of \$63 million related to a reorganization in connection with the initial public offering of Sempra Energy's Mexican subsidiary.

"While our reported earnings declined in the first quarter, the performance of our businesses remains solid and we completed several key strategic milestones, including the sale of half of our ownership interest in our Arizona gas-fired power plant and the successful public offerings at our Sempra Mexico unit," said Debra L. Reed, chairman and CEO of Sempra Energy. "During the quarter, we raised nearly \$1 billion in external capital and attracted strong local ownership in our Mexican company, IEnova."

Additionally, Reed said that the company continues to make progress in permitting its proposed Cameron LNG export project in Louisiana. Last month, the Federal Energy Regulatory Commission (FERC) issued a notice of its schedule for the environmental review of the project. Cameron LNG is the first and only proposed LNG export application currently pending before the FERC to have reached this milestone in the permitting process. Based on the published schedule, the FERC is expected to release the final Environmental Impact Statement for the project in November and issue its final ruling in early 2014. The company expects to receive the other major permit for the project from the U.S. Department of Energy by the end of this year. The project is slated to begin operations in 2017 and process up to 1.7 billion cubic feet per day of natural gas for export to international markets.

### **CALIFORNIA UTILITIES**

On March 29, the California Public Utilities Commission (CPUC) issued a draft decision in the General Rate Case for San Diego Gas & Electric (SDG&E) and Southern California Gas Co. (SoCalGas). Until the CPUC reaches a final decision, both utilities are recording revenues based on 2011 authorized levels, as adjusted for the recovery of incremental wildfire insurance premiums at SDG&E. SoCalGas and SDG&E will record the cumulative change resulting from the decision, retroactive to the beginning of 2012, in the quarter a final decision is approved. A final decision on the General Rate Case is expected in the second quarter.

Due to the delay in the final rate case decision, first-quarter 2013 earnings were lower for both SDG&E and SoCalGas. The two utilities had higher operating expenses, including depreciation, with no increase in authorized revenue.

#### **San Diego Gas & Electric**

SDG&E had first-quarter earnings of \$91 million in 2013, compared with \$105 million in 2012.

#### **Southern California Gas Co.**

Earnings for SoCalGas in the first quarter 2013 were \$46 million, compared with \$66 million in last year's first quarter.

### **SEMPRA INTERNATIONAL**

#### **Sempra South American Utilities**

Sempra South American Utilities recorded earnings of \$37 million in the first quarter 2013, compared with \$40 million in the first quarter 2012. The decrease in earnings was due primarily to an impairment charge on its investment in Argentine utilities, partially offset by higher earnings in Chilean and Peruvian operations.

#### **Sempra Mexico**

Sempra Mexico's earnings in the first quarter 2013 were \$31 million, compared with \$33 million in last year's first quarter.

During the first quarter 2013, Sempra Mexico completed separate debt and equity offerings raising nearly \$1 billion of external capital. The initial public offering - the first for an energy company in Mexico - sold nearly 19 percent of the equity in the company. The Mexican operating company was renamed "IEnova."

## **SEMPRA U.S. GAS & POWER**

### **Sempra Renewables**

Sempra Renewables had first-quarter earnings of \$4 million in 2013, compared with \$10 million in 2012, due to lower tax benefits from solar projects, partially reflecting the impact of the federal government's sequestration.

### **Sempra Natural Gas**

Earnings for Sempra Natural Gas were \$53 million in the first quarter 2013, up from \$1 million in first quarter 2012, due primarily to a \$44 million gain related to the sale of half of the Mesquite Power natural gas-fired power plant in February.

## **2013 EARNINGS EXPECTATIONS**

Sempra Energy does not plan to update its previous 2013 earnings guidance until after the CPUC issues a final decision in the General Rate Case for SDG&E and SoCalGas. If, however, the terms of the General Rate Case draft decision are adopted in the final decision, the company would expect earnings to be at the low end of the current per-share guidance range for 2013 of \$4.30 to \$4.80.

## **INTERNET BROADCAST**

Sempra Energy will broadcast a live discussion of its earnings results over the Internet today at 1 p.m. EDT with senior management of the company. Access is available by logging onto the website at [www.sempra.com](http://www.sempra.com). For those unable to log onto the live webcast, the teleconference will be available on replay a few hours after its conclusion by dialing (888) 203-1112 and entering passcode 2913728.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2012 revenues of approximately \$10 billion. The Sempra Energy companies' nearly 17,000 employees serve more than 31 million consumers worldwide.

*This press release contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by words like "believes," "expects," "anticipates," "intends," "plans," "forecasts," "estimates," "may," "will," "would," "could," "should," "potential," "target," "outlook," "depends," "pursue" or similar expressions, or discussions of guidance, strategies, plans, goals, initiatives, objectives or intentions. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements. Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others: local, regional, national and international economic, competitive, political, legislative and regulatory conditions and developments; actions and the timing of actions by the California Public Utilities Commission, California State Legislature, Federal Energy Regulatory Commission, U.S. Department of Energy, Nuclear Regulatory Commission, California Energy Commission, California Air Resources Board, and other regulatory, governmental and environmental bodies in the United States and other countries where the company does business; capital market conditions, including the availability of credit and the liquidity of investments; inflation, interest and exchange rates; the impact of benchmark interest rates, generally Moody's A-rated utility bond yields, on the California utilities' cost of capital; the timing and success of business development efforts and construction, maintenance and capital projects, including risks inherent in the ability to obtain, and the timing of the granting of, permits, licenses, certificates and other authorizations; energy markets, including the timing and extent of changes and volatility in commodity prices; the availability of electric power, natural gas and liquefied natural gas, including disruptions caused by failures in the North American transmission grid, pipeline explosions and equipment failures; weather conditions, natural disasters, catastrophic accidents, and conservation efforts; risks inherent in nuclear power generation and radioactive materials storage, including catastrophic release of such materials, the disallowance of the recovery of the investment in, or operating costs of, the generation facility due to an extended outage, and increased regulatory oversight; risks posed by decisions and actions of third parties who control the operations of investments in which the company does not have a controlling interest; wars, terrorist attacks and cyber security threats; business, regulatory, environmental and legal decisions and requirements; expropriation of assets by foreign governments and title and other property disputes; the impact on reliability of SDG&E's electric transmission and distribution system due to increased power supply from renewable energy sources; the impact on competitive customer rates of the growth in distributed and local power generation and the corresponding decrease in demand for power delivered through our electric transmission and distribution system; the inability or determination not to enter into long-term supply and sales agreements or long-term firm capacity agreements; the resolution of litigation; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of the company. These risks and uncertainties are further discussed in the reports that Sempra Energy has filed with the Securities and Exchange Commission. These reports are available through the EDGAR*

system free-of-charge on the SEC's website, [www.sec.gov](http://www.sec.gov), and on the company's website at [www.sempra.com](http://www.sempra.com).

*These forward-looking statements speak only as of the date hereof, and the company undertakes no obligation to update or revise these forecasts or projections or other forward-looking statements, whether as a result of new information, future events or otherwise.*

*Sempra International, LLC, and Sempra U.S. Gas & Power, LLC, are not the same companies as San Diego Gas & Electric (SDG&E) or Southern California Gas Company (SoCalGas) and Sempra International, LLC and Sempra U.S. Gas & Power, LLC are not regulated by the California Public Utilities Commission. Sempra International's underlying entities include Sempra Mexico and Sempra South American Utilities. Sempra U.S. Gas & Power's underlying entities include Sempra Renewables and Sempra Natural Gas.*

Media Contact:

Doug Kline

Sempra Energy

(877) 340-8875

[dkline@sempra.com](mailto:dkline@sempra.com)

[www.sempra.com](http://www.sempra.com)

Financial Contact:

Victor Vilaplana

Sempra Energy

(877) 736-7727

[investor@sempra.com](mailto:investor@sempra.com)

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